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April 14, 1997

BY HAND-DELIVERY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Stop Code -1170
Washington, D.C. 20554

RECEIVED
APR 14 1997
Federal Communications Commission
Office of Secretary

Re: Ex Parte Letter from Ben G. Almond, BellSouth
Telecommunications, Inc., dated April 9, 1997
CC Docket No. 96-128

Dear Mr. Caton:

I am writing on behalf of the North Carolina Payphone Association ("NCPA") in response to the April 9, 1997 *ex parte* letter of Ben G. Almond on behalf of BellSouth Telecommunications, Inc. ("BellSouth") in the above-referenced matter. The NCPA is an association of North Carolina pay telephone providers which serves as an advocate for the pay telephone industry and engages in educational and "self-regulatory" activities to help ensure the responsible provision of pay telephone services to the public.

NCPA submits this letter in order to register disagreement with certain statements made in BellSouth's April 9 *ex parte* letter and to oppose the approval of BellSouth's CEI plan as well as BellSouth's eligibility for dial around compensation.

By Order dated April 4, 1997, the Commission required each Bell Operating Company ("BOC") to file an *ex parte* letter by April 10, 1997 "advising on the status of intrastate tariffs for the unbundled features and functions that [a BOC] has not yet federally tariffed, and stating that

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it commits to filing federal tariffs for such features and functions within 45 days of the release date of this Order." Order, CC Docket No. 96-128, DA 97-678 (Released: April 4, 1997) (the "Order").

As clarified by the April 4 Order, unbundled "payphone-specific, network-based features and functions used in configuring unregulated payphone operations" must be tarified at the federal level. The Commission identified the following specific examples of unbundled features and functions which must be tarified at the federal level: answer supervision, call screening, call blocking, coin supervision, coin signaling, coin rating, original line number screening, and IDD blocking.

In its April 9 *ex parte* letter, BellSouth states: "As of this date, there are no payphone-specific, network-based, unbundled features and functions provided to others or taken by BellSouth's payphone operations that are tarified by BellSouth at the intrastate level." At least as to its North Carolina operations, this statement is incorrect.

Contrary to BellSouth's representation, BellSouth offers a wide range of blocking and screening features on an unbundled basis in North Carolina. BellSouth's "Central Office Blocking and Operator Screening" service allows pay telephone providers to subscribe to any of eleven (11) separate packages of central office blocking and operator screening functions. See Exhibit A for copy of North Carolina tariff A7.4.4. The packages include such features as third number and collect call blocking, screening to prevent operator assisted sent-paid calls from being billed to the pay telephone line, and central office blocking of certain calls such as 1+DDD and 10XXX direct dial calls. These services are offered on both an inward and outward calling basis.

In addition, BellSouth offers "Coin Refund and Repair Referral Service" as an unbundled feature in North Carolina. See Exhibit B for copy of North Carolina tariff A7.10. This feature provides handling of refund and repair requests generated by end users of pay telephones. In the event that the Commission concludes that this feature falls within the Commission's definition of "payphone-specific, network-based features and functions used in configuring unregulated payphone operations," BellSouth must also tariff this feature at the federal level.

Finally, it should be noted that BellSouth has not filed intrastate tariffs at cost-based rates in North Carolina, and, therefore, as clarified by the Commission's April 4 Order, BellSouth is not eligible to receive dial around compensation. The rates currently in effect for basic payphone service are rates which have been effect for approximately ten (10) years. BellSouth has not filed cost studies with the North Carolina Utilities Commission nor has it filed any tariffs proposing to reduce existing rates to cost-based levels, as required by the Commission's Orders implementing Section 276 of the Communications Act. The North Carolina Utilities Commission, however, has instituted a proceeding to require BellSouth and other North Carolina LECs to

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reduce payphone rates to cost-based rates. As a first step, the Utilities Commission has requested "procedural" comments concerning this proceeding. These comments are due on April 17. See Exhibit C, Order Requesting Procedural Comments.

For the reasons expressed herein, as well as the reasons expressed in the Comments of the Southeastern Public Communications Coalition filed in this proceeding, NCPA respectfully urges the Commission to reject BellSouth's CEI plan pending satisfactory compliance with the Commission's requirements. In addition, in view of BellSouth's failure to comply with the federal tariffing requirement as well as its complete failure to file intrastate tariffs for payphone services and features which are cost-based, NCPA urges the Commission to enter an order declaring that BellSouth is not eligible to receive dial around compensation.

If any questions should arise during the course of your consideration of this matter, it is respectfully requested that you communicate with this office.

Very truly yours,

BROOKS, PIERCE, McLENDON,
HUMPHREY & LEONARD, L.L.P.



Marcus W. Trathen
Counsel to North Carolina
Payphone Association

Enclosures

cc: Radhika V. Karmarkar, Esq. (w/ encl.)

EXHIBIT A

**BELLSOUTH TARIFF
SECTION A7.4.4**

BELLSOUTH
TELECOMMUNICATIONS, INC.
NORTH CAROLINA
ISSUED: September 16, 1996
BY: President - North Carolina
Charlotte, North Carolina

GENERAL SUBSCRIBER SERVICE TARIFF

Sixth Revised Page 6.2
Cancels Fifth Revised Page 6.2

EFFECTIVE: September 30, 1996

A7. COIN TELEPHONE SERVICE

**A7.4 Public Telephone Access Service For Customer Provided Equipment (CPE)
(Cont'd)**

A7.4.4 Optional Service Features

A. Central Office Blocking with Operator Screening

Central Office Blocking with Operator Screening is offered where facilities permit to provide a choice of restrictions at the subscriber's option. These options will be available for Public Telephone Access Service for CPE as follows:

1. Option 1 - Two-Way Service. Provides that third number and collect calls to Public Telephone Access Service for CPE are not allowed.
2. Obsolete (See A107.2).
3. Option 2 - Two-Way Service. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Further, third number and collect calls to Public Telephone Access Service for CPE are not allowed.
4. Obsolete (See A107.2).
5. Option 3 - Two-Way Service. Provides central office blocking of 7 or 10 digit local, 976, 1+DDD, all 10XXX or 101XXXX direct dialed calls and 1+900 calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Further, third number and collect calls to Public Telephone Access Service for CPE are not allowed. Provides central office blocking of 011+, 10XXX 011+ and 101XXXX 011+ calls.^{1,2} (C)
6. Obsolete (See A107.2).
7. Option 4 - Two-Way Service. Provides central office blocking of 976, 1+DDD, all 10XXX or 101XXXX direct dialed calls and 1+900 calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Further, third number and collect calls to Public Telephone Access Service for CPE are not allowed. Provides central office blocking of 011+, 10XXX 011+ and 101XXXX 011+ calls.^{1,2}

Note 1: Provides central office blocking of direct distance dialed international (011+, 10XXX 011+ and 101XXXX 011+) calls to numbers outside the North American Number Plan.

Note 2: Intrastate Directory Assistance calls dialed 1+919+555-1212, 1+910+555-1212 or 1+704+555-1212 will be completed and will not be blocked in the central office.

DOCKET NO. R-35 SUP 1017D
Allowed To Become Effective Pursuant
To G.S. 127-120 and G.S. 52-134

SEP 16 1996

FILED
N.C. UTILITIES COMMISSION

EFFECTIVE: September 30, 1996

A7. COIN TELEPHONE SERVICE

A7.4 Public Telephone Access Service For Customer Provided Equipment (CPE) (Cont'd)

A7.4.4 Optional Service Features (Cont'd)

A. Central Office Blocking with Operator Screening (Cont'd)

8. Obsolete, See A107.2
9. Option 5 - Two-Way Service. Provides that third number and collect calls to Public Telephone Access Service for CPE are not allowed. Provides central office blocking of 011+, 10XXX 011+ and 101XXXX 011+ calls.^{1,2}
10. Option 6 - Two-Way Service. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Third number and collect calls to Public Telephone Access Service for CPE are not allowed. Provides central office blocking of 011+, 10XXX 011+ and 101XXXX 011+ calls.^{1,2}
11. Option 7 - Outward Only Service. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Provides central office blocking of 011+ calls.^{1,2} (N)
12. Option 8 - Outward Only Service. Provides central office blocking of 7 or 10 digit local, 976, 1+DDD, 1+900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.^{1,2} (N)
13. Option 9 - Outward Only Service. Provides central office blocking of 976, 1+DDD, 1+900 and 011+ calls. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line.^{1,2} (N)
14. Option 10 - Two-Way Service for use in confinement facilities utilizing line concentration. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Third number and collect calls to Public Telephone Access Service for CPE are not allowed. (N)
15. Option 11 - Two-Way Service for use in confinement facilities utilizing line concentration. Provides screening information to the operator to prevent operator assisted sent-paid calls from being billed to the line. Third number and collect calls to Public Telephone Access Service for CPE are not allowed. Provides central office blocking of 011+, 10XXX 011+ and 101XXXX 011+ calls. (N)

- B. Third number and collect calls billable to the line are not allowed, special equipment serving the originating caller's location is required to make this feature operable. Where such equipment is installed, call attempts which have been screened will not be completed. The operator will advise the calling party that alternative billing arrangements will have to be made before the call can be completed. Where such equipment is not installed, call attempts on a third number basis will be completed but will not be billed to the Public Telephone Access Service line pending investigation. All Public Telephone Access Service subscribers are advised that calls so completed will be thoroughly investigated as fraudulent calls. The party placing these calls will be expected to make full restitution and will be legally responsible for them. Call attempts on a collect basis which are accepted at the Public Telephone Access Service location will be billed to the Public Telephone Access Service line. Payment for these collect calls will be required.

Note 1: To the monthly rate shown, add an amount equivalent to sixty percent of the business individual line flat rate.

Note 2: Provides central office blocking of 011+ calls direct distance dialed to numbers outside the North American Numbering Plan. (N)

Note 3: For the Access Line Feature Options which do not offer central office blocking of 900 and 976 calls, the feature is available at the request of the subscriber as provided under Customized Code Restriction (CCR) Option Number 4 defined in A13.20 of this Tariff. (N)

DOCKET NO. R 55 SUB 1017D
Allowed To Exercise Elective Paragraph
17 C.F.R. 62-125 and 62.62-126

SEP 16 1996

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N.C. PUBLIC UTILITIES

EXHIBIT B

**BELLSOUTH TARIFF
SECTION A7.10**

EFFECTIVE: October 1, 1996

A7. COIN TELEPHONE SERVICE

A7.9 Reserved For Future Use

(N)

A7.10 Coin Refund and Repair Referral Service (CRS)

(N)

A7.10.1 General

(N)

- A. Coin Refund and Repair Referral Service (CRS) provides handling of refund requests and repair referrals generated by the end users of Independent Payphone Provider (IPP) public telephones. End users may request refunds for coins lost during an attempt to place local, intraLATA, or interLATA calls and/or submit repair/trouble reports for the IPP public telephone to the Company's operator services. (N)
- B. CRS is available to any IPP outside confinement facilities which also subscribes to Operator Screening. CRS will not be provided for pay telephones located in confinement facilities. (N)

A7.10.2 Regulations

(N)

- A. All access lines subscribed to CRS must be subscribed to the same option. (N)
- B. The IPP public telephone must include detailed instructions on how to obtain refund and repair referral assistance. (N)
- C. The Coin Refund portion of the service will be provided on one of the following options: (N)
 - 1. Option 1 - The Company operator will take the refund request from the end user and forward the information to the IPP for processing. (N)
 - 2. Option 2 - The Company operator will take the refund request from the end user. If the request is for a credit to the end user's account with the Company, the operator will issue the credit. Any other refund request will be forwarded to the IPP for processing. (N)
 - 3. Option 3 - The Company operator will take the refund request from the end user and issue a credit or draft as requested by the end user. (N)
- D. Repair referral service will be offered with any of the coin refund options or on a stand alone basis. The Company operator will take the repair report from the end user and refer to the IPP for handling. (N)
- E. In the case of system outages or lost data, the Company shall have no liability and shall not be responsible for providing refunds or repair referrals to the end user. (N)
- F. Charges for CRS and the amounts of the refunds to the end user will be made based solely on the Company's refund request data. (N)
- G. Non-payment of charges for CRS may result in the interruption of the IPP's access line service. (N)
- H. Any request that results in a repair referral and a refund referral will be charged as two referrals. (N)
- I. IPPs requesting to terminate CRS after subscribing lines to the service must give the Company thirty days advance notice. The IPP will be responsible for the charges incurred for CRS during the thirty day termination period. The IPP will also be responsible for any changes to its payphones and/or instruction cards after the service has been interrupted, terminated or disconnected. (N)

BOOKET NO. P-55 SUB 1017F
Allowed To Become Effective Pursuant
To G. S. 62-133 and G. S. 62-134

SEP 16 1996

FILED
N. C. UTILITIES COMMISSION

EFFECTIVE: October 1, 1996

A7. COIN TELEPHONE SERVICE

A7.10 Coin Refund and Repair Referral Service (CRS) (Cont'd)

A7.10.3 Rates and Charges

A. The rates listed in 2 and 3 following are in addition to the actual amount of the refund.

1. Option 1

(a) per referral

Rate

USOC

\$1.60

NA

2. Option 2

(a) per referral

1.60

NA

(b) per credit

1.68

NA

3. Option 3

(a) per credit

1.68

NA

(b) per draft

2.48

NA

4. Repair Referral

(a) per referral

1.60

NA

DOCKET NO. P-55 SUB 017F
Allowed To Become Effective Pursuant
To G. S. 62-130 and G. S. 62-134

SEP 18 1996

FILED
N. C. UTILITIES COMMISSION

EXHIBIT C

**NORTH CAROLINA UTILITIES COMMISSION
ORDER REQUESTING PROCEDURAL COMMENTS**

DOCKET NO. P-100, SUB 84b

In the Matter of

1. Initiate separate proceedings to (i) reduce local exchange company (LEC) rates to eliminate subsidies to the LECs' payphone operations and (ii) reduce LEC payphone service tariffs to cost-based rates;
2. Require LECs to submit the information identified in Paragraph 13 of the NCPA's petition relating to payphone costs and revenues so that subsidies to payphone operations can be identified and eliminated;
3. Require LECs to submit the cost information required by the Federal Communications Commission's (FCC's) new services test identified in Paragraph 22 of the NCPA's petition;
4. Require LECs to restructure all tariffs for basic payphone services so that they comply fully with the FCC's requirements set forth in CC Docket No. 96-128;
5. Consolidate review of the tariff filings of BellSouth, Carolina and Central, GTE, ALLTEL, Concord, and TDS Telecom (Barnardsville Telephone Company; Saluda Mountain Telephone Company; and Service Telephone Company), as well as any other LEC tariff filings made in response to FCC Orders in CC Docket No. 96-128, into this single docket.
6. Suspend the effectiveness of the above-referenced tariffs pending the completion of the investigation required by the FCC's Orders in CC Docket No. 96-128; and
7. For such other and further relief as is just and proper.

On March 24, 1997, the Commission received for information at its Regular Commission Conference a Public Staff agenda item concerning the tariff filings made by certain LECs. The NCPA urged the Commission to suspend the filings.

WHEREUPON, the Commission reaches the following

CONCLUSIONS

After careful consideration, the Commission concludes that the LEC tariff filings made pursuant to the FCC Order should not be suspended, because this would definitively render the LECs out of compliance with the FCC Order, and that interested parties should be given the opportunity to provide comments on how this docket should be addressed procedurally, prior to any decision to consider the NCPA's petition on its merits.

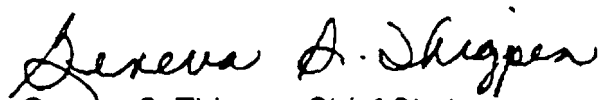
IT IS, THEREFORE, ORDERED as follows:

1. That parties desiring to file written comments and recommendations concerning how to proceed procedurally on the NCPA's petition shall do so no later than Thursday, April 17, 1997.
2. That all parties to Docket No. P-100, Sub 84 shall be made parties to this docket.
3. That the Chief Clerk shall mail a copy of this Order to all COCOT certificate holders, but any COCOT certificate holder or any other person desiring to actively participate in this docket must be granted intervention status pursuant to Commission Rules R1-3, R1-5, and R1-19. Parties are not required to serve filings on persons who are not parties.
4. That the NCPA's suspension request regarding certain LEC tariffs appearing in the Public Staff's agenda item on March 24, 1997, and in Paragraph No. 5 of the NCPA's request for relief in this docket is hereby denied.

ISSUED BY ORDER OF THE COMMISSION.

This the 31st day of March, 1997.

NORTH CAROLINA UTILITIES COMMISSION


Geneva S. Thigpen, Chief Clerk